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FISCAL IMPACT REPORT

SPONSOR Herrera DATE TYPED 2/4/2004 HB 420

SHORT TITLE Motor Transportation Employee Pay Increase SB _____

ANALYST Valenzuela

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY04	FY05	FY04	FY05		
	\$355.0			Recurring	General fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to Senate Bill 6, which provides pay increases for State Police officers
 Duplicates Senate Bill 224

SOURCES OF INFORMATION

LFC Files: Presentation to the LFC by State Police Chief Maldonado, *Compensation Study for the Department of Public Safety*, December 5, 2003.

Responses Received From
 Department of Public Safety

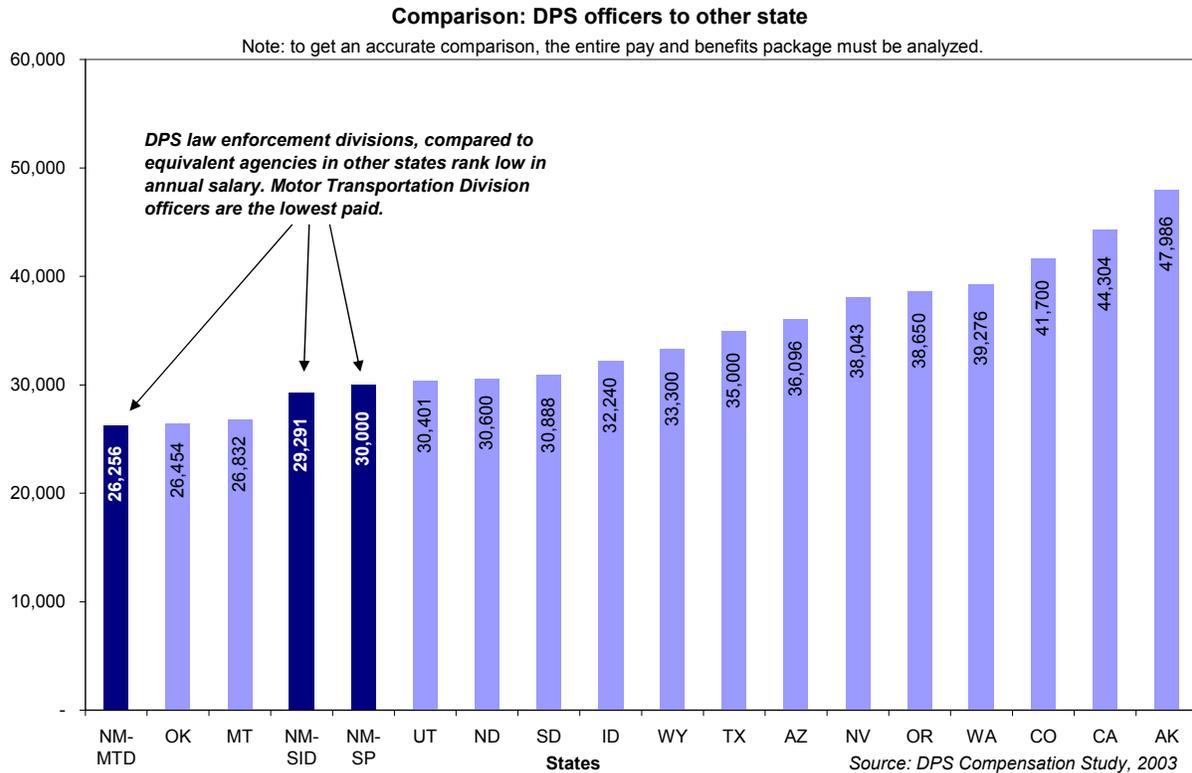
SUMMARY

Synopsis of Bill

House Bill 420 appropriates \$355 thousand from the general fund to the Motor Transportation Division (MTD) of the Department of Public Safety (DPS) for the purpose of a six percent annual salary increase.

Significant Issues

The appropriation in HB420 would assist the MTD in achieving greater parity with its in-state and out-of-state law enforcement counterparts. The graphic below illustrates the pay difference of DPS law enforcement with surrounding states. MTD has the lowest annual salary in the comparison (Note: this graphic compares minimum annual salary for patrolman only).



DPS completed a compensation study for all of its law enforcement divisions. The study, based on annual salary, demonstrated that DPS ranked relatively low to surrounding states. Senate Bill 6 addresses the disparity that exists with State Police and its counterparts in other states. The low salary has contributed to a higher-than-normal turnover rate at both State Police and MTD. The turnover rate at MTD has been particularly chronic, reaching 32.4 percent in calendar year 2003, as shown below. MTD authorized force is 136 positions, State Police is 605 positions.

Turnover Rates and Reason for Leaving

	Calendar 2001		Calendar 2002		Calendar 2003	
	State Police	MTD	State Police	MTD	State Police	MTD
To another agency	14	6	14	11	18	14
Personal decision	10	1	7	1	7	5
Lieu of term	2	-	3	-	4	-
Termination	-	-	2	1	4	4
Retirement	17	12	14	12	20	21
Deceased	5	-	1	-	-	-
	48	19	41	25	53	44
Percent of force	7.9%	14.0%	6.8%	18.4%	8.8%	32.4%

This bill would begin to assist MTD in addressing salary disparity. The table below shows that MTD would need approximately \$1.1 million to adjust salaries to a level commensurate with surrounding states, which reflects on average a 24.23 percent increase over current salaries.

Parity in Salary Structure
Motor Transportation Division

<u>Rank</u>	<u>Current</u>	<u>Proposed</u>	<u>Proposed/Current Difference</u>	<u>Avg % Incr</u>
Patrolman	\$ 2,954,917	\$ 3,603,459	\$ 648,542	21.95%
Sergeant	830,995	1,096,533	265,538	31.95%
Lieutenant	297,495	403,340	105,845	35.58%
Captain	201,528	244,858	43,330	21.50%
Chief's	<u>138,358</u>	<u>146,936</u>	<u>8,578</u>	6.20%
	\$ 4,423,293	\$ 5,495,126	\$ 1,071,833	24.23%

FISCAL IMPLICATIONS

The appropriation of \$355 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY05 shall revert to the general fund.

As currently recommended by the House Appropriations and Finance Committee, the General Appropriation Act would provide for a two percent salary increase for MTD.

MFV/lg:njw